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United States Senate

WASHINGTON, DC 20510-3604 August 3, 2006

The Honorable C. Louis Kincannon Director U.S. Census Bureau FOB 3, Rm 2049 Washington, D.C. 20233

CHAIRMAN SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION AND HOMELAND SECURITY

COMMITTEE ON HOMELAND SECURITY

AND GOVERNMENTAL AFFAIRS

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON INCARCERATION AND REHABILITATION

COMMITTEE ON INDIAN AFFAIRS

Dear Director Kincannon:

As Chairman of the Subcommittee with jurisdiction over the Census Bureau, I was deeply concerned to learn last week about testimony you provided to the House Appropriations Subcommittee on Science, the Departments of State, Justice, and Commerce, and Related Agencies indicating that the cost of the 2010 Census may rise by an additional \$1 billion beyond what is currently estimated. I am writing to ask that you provide this Subcommittee with a detailed explanation of this potentially enormous cost increase.

As you remember, on June 6, 2006, this Subcommittee held a hearing to examine why the 2010 Census is estimated to be \$11.3 billion, or \$5 billion more than the 2000 Census. I was not completely satisfied by the answers I received and came away from the hearing concerned that the Census Bureau does not have firm grasp over its long-term financial planning. The Government Accountability Office expressed similar concerns and stated that poor planning may lead to costs for the 2010 Census to soar well beyond the \$11.3 billion estimate. Unfortunately, it seems that these concerns were well founded.

Your testimony before the House Appropriations Subcommittee stated that cutting the Bureau's fiscal year 2007 budget by \$53.3 million would potentially increase costs for the 2010 Census by \$1 billion. Based on your previous testimony before my subcommittee regarding the Bureau's ability to manage its finances, I am skeptical that the agency could not operate with a slightly smaller budget.

I would ask that you provide this Subcommittee with a detailed explanation of why you believe an overall budget cut of \$53.3 million (less than 0.5%) could lead to an overall budget increase of \$1 billion (nearly 9%). Since a key finding of our June hearing, and of GAO, was that financial planning at the Bureau has been too poor to accurately project future costs, please provide an explanation as to how the Bureau was able to develop such a quick and accurate cost projection based on the loss of \$55M between June and now. Please provide this information by close of business on Friday, September 1, 2006 so that Senators may have this important information prior to return of the Senate to consideration of the Science, State, Justice, Commerce appropriations bill in the Fall.

Tom Coburn, M.D.

Chairman

Subcommittee on Federal Financial Management,

Government Information and

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